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DEPARTMENT FOR EUR/CE

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SUBJECT: SAARLAND STATE ELECTION: ALL PARTIES NERVOUS ABOUT

COALITION CHANCES, INFLUENCE ON NATIONAL CAMPAIGN

11. Summary: Saarland will hold its state election on August 30, and recent polls suggest the race is wide open with a number of coalitions possible. The uncertainty is making all the parties nervous, particularly with federal elections just four weeks away and the likelihood that the results, whatever they may be, will shape the campaigns of all the state parties for the September 27 federal vote. Christian Democratic Union (CDU) Minister-President Peter Mueller is seeking a coalition with the Free Democratic Party (FDP). Social Democratic Party (SPD) challenger Heiko Maas is officially keeping all options open, but Social Democrats concede privately that if they manage to lead a new government, they will most likely do it via an SPD-Left Party-Greens coalition. With polls showing that neither of these options currently has a majority, the election will likely hinge on the ability of the parties to get out the vote and, as one Social Democratic official told us, "whether the voters want to get rid of Mueller more than they are worried about the possibility of a red-red coalition." End summary.

No Clear Winner - Everything is Possible

- 12. Polls this year along with European Parliament and local election results indicate that the CDU has all but no chance of a solo victory. In 2004, Mueller won an absolute parliamentary majority with 47.5 percent of the vote (with the SPD at 30.8, the Greens at 5.6 and the FDP at 5.2). Two separate polls published on August 21 suggest that voters are split almost evenly between left and right, so that even a slight shift could change the balance. The CDU is at 38 percent according to an infratest dimap poll (36 percent in a Forschungsgruppe Wahlen (FW) poll), the SPD at 26 (in both polls), the Left is at 15 in infratest and 16 percent in FW. Both polls put the FDP at 9 percent and the Greens at 6 percent.
- ¶3. Initially, all sides thought the campaign would center on a duel between Mueller and Oskar Lafontaine, the current Left Party national leader and former SPD Minister-President (1985-98)in Saarland. The CDU would have liked such a race, but Lafontaine's inability to win high-level SPD or trade union defections to the Left Party and its third-place showing in the European Parliament vote in June make the prospects of another Lafontaine minister-presidency look highly unlikely. The CDU's initial focus on Lafontaine, however, allowed Maas to go relatively unchallenged as he has sought to sell himself to Saarlanders.
- 14. Maas has taken advantage of dissatisfaction with the Mueller government, particularly its consolidation of primary schools in small-town areas and introduction of university fees, while also running a very slick candidate-centered campaign in which he has presented himself as the "new man." He has plastered the state with billboards that, as one Social Democratic contact noted, look more like a Hugo Boss ad than an SPD poster, but appear to be appealing to prospective voters, as even Christian Democratic officials concede. After a slow start, however, the CDU has swung into full gear and held a rousing campaign rally on Wednesday with Chancellor Angela Merkel, Luxembourg Prime Minister Jean-Claude Juncker, and Hamburg Mayor Ole von Beust (as well as three bands and

fire-breathing acrobats) to rally the troops with a focus on preventing a left-left coalition.

Turnout will be Crucial

15. All sides say that every vote will count in determining what coalition comes out of Sunday's results. Turnout should be important; SPD voters unhappy with the Schroeder government sat at home in 2004 but may be ready to come back to vote for Maas, while the CDU is also making an all out effort to get out its vote. Turnout is also likely to affect the showing for the Greens and FDP, both of which are relatively weak in Saarland because of the small size of the middle-class professionals and educated elite that make up their base. The Greens have a small chance of slipping under the five-percent hurdle if turnout is particularly strong, and CDU officials say off the record that it would increase the chances of a CDU-FDP parliamentary majority.

Who's On Top?

16. Several coalitions are possible, although most of the options would entail long and difficult negotiations. Both the CDU and FDP say they want a joint government, and if they can eke out even a one-vote majority, they will quickly seek to complete negotiations before September 27. Maas and the SPD are officially keeping all options open, but SPD officials tell us off the record that they are ready to try to form a red-red-green coalition. SPD chancellor candidate and Foreign Minister Steinmeier has also said publicly

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that he does not see a problem with red-red. According to the press, however, the SPD wants to have more than a one-seat majority to avoid a potential repeat of the Hessen debacle when defections up-ended a planned leftist coalition. Coalition negotiations will likely be difficult and continue past the Bundestag vote due to political considerations and policy differences, particularly on coal mining.

- 17. If neither of these coalitions is possible, consideration may turn to a CDU-FDP-Green "Jamaica" coalition or an SPD-FDP-Greens "traffic light" coalition. The presence of von Beust, who heads a CDU-Greens government, at the CDU rally may be a sign of the CDU's readiness to talk to the Greens, and CDU officials have argued privately that their environmental policies are not far apart. The Greens officially support a traffic light coalition, but current polls suggest that it is unlikely to gain a parliamentary majority. The final option is a grand coalition, but both CDU and SPD officials see this as truly the last resort.
- 18. Comment: The Saarland race is wide open and indicative of the changes in German party politics that have forced German politicians to live with uncertainty. A five-party system can make coalition building very difficult, and while all sides argue that the Saarland race is about state politics rather than the upcoming national elections, the results will nevertheless affect not only how the parties campaign for September 27 but have precedential value for how they think about building majority coalitions on the national level. End comment.
- 19. This cable was coordinated with Embassy Berlin.

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